

Economic Systems Review

Entrepreneur	Scarcity	Resources	Demand	Choice
Price	Incentives	Supply and Demand	Opportunity Cost	Production
	Consumption	Consumer Sovereignty	Supply	

1. When the consumer determines through purchases what goods and services will be produced is called _____.
2. The combination of human, natural, capital and entrepreneurship resources to make goods and provide services is _____.
3. _____ is using goods and services.
4. The interaction of _____ determines price.
5. _____ is selecting an item or action from a set of possible alternatives.
6. The amount of money that is exchanged for a good or service is called a _____.
7. Things that incite, motivate and change economic behavior are _____.
8. The inability to satisfy all wants at the same time; all resources and goods are limited is _____.
9. Types of _____ are natural, human, capital, and entrepreneurship. These are factors of production that are used in the production of goods and services.
10. _____ is what is given up when a choice has been made—the highest valued alternative forgone. Individuals must consider the value of what is given up when making a choice.
11. A person who organizes, manages, and assumes responsibility for a business or other enterprise is call a/an _____.
12. The amount of a good or service that consumers are willing and able to buy at a certain price is the _____.
13. _____ is using goods and services. Consumer preferences and price determine what is purchased.

Characteristics of Major Economic Systems

Free Market

- A. _____
- B. _____
- C. _____
- D. _____
- E. _____

Command Economy

- A. _____
- B. _____
- C. _____

Mixed Economy

- A. _____
- B. _____
- C. _____

Central Ownership of property and resources	Most common economic system today	Profit
Competition	Lack of consumer choice	A greater government role than in a free market economy
Consumer Sovereignty	Centrally planned economy	Private ownership of property/resources
Individuals and businesses as decision makers for the private sector		